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Report Highlights:
Socio-economic and demographic changes have altered food trends in France. Trends show that French consumers desire food products offering better taste, increased health benefits and more convenience.
France offers market opportunities in a number of areas such as fish and seafood, processed fruits and vegetables, including fruit juices, beverages including wine and spirits, fresh and dried fruits and nuts, but also confectionery, wild rice, kosher and halal foods.
This report prepared by the USDA's Foreign Agricultural Service for U.S. exporters of food and agricultural products presents a comprehensive guide on France's economic situation, market structure, exporter tips and best prospects for high-value food and agricultural products.

Includes PSD Changes: No
Includes Trade Matrix: No
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Note: Average exchange rates used in this report are:

Calendar Year 2002: US Dollar 1 = 1.057 Euros
Calendar Year 2003: US Dollar 1 = 0.884 Euros
Calendar Year 2004: US Dollar 1 = 0.806 Euros
Calendar Year 2005: US Dollar 1 = 0.8038 Euros
(Source: Paris Stock Exchange/European Central Bank)

SECTION I. MARKET OVERVIEW

1. Macroeconomic Situation

As a member of the G-8, the European Union, the World Trade Organization and the OECD, France is a leading economic player and international force. With a $2.1 trillion Gross Domestic Product (GDP), France is the world's fifth largest industrialized economy. The French population of 62 million has a per capita income of $34,306.

France is the fifth largest trading partner of the United States. U.S. trade with France, including exports and imports of goods, services and income, per U.S. Department of Commerce data, amounted to $82 billion in 2005. The United States is the primary recipient of French foreign direct investment and is the third largest foreign investor in France.

Despite one of the best economic performances in the EU in 2004, increasing its GDP 2.0 percent, the French economic recovery has flagged under the weight of high oil prices and the fall of the Euro relative to the dollar, showing only a modest economic growth of 1.2 percent in 2005. The inflation rate has also remained modest (1.5 percent). The unemployment rate fell to 9.6 percent in 2005, from its highest level in five years (10.1 percent in January and February 2005). Also in September, the Prime Minister announced measures to stimulate faster economic growth and reduce unemployment, while preserving the benefits of the French welfare model.

The National Statistical Agency (INSEE) revised upward from 2.0 percent to 2.3 percent its GDP growth forecast for 2006, after taking into account the jump in the second quarter due to strong consumption. INSEE's forecast is in line with the 2.0-2.5 percent government forecast for 2006. The unemployment rate is forecast to decrease to 8.6 percent by the end of 2006, which would be the lowest rate since 2001. The government revised its budget deficit estimate for 2006 from 2.7 percent of GDP to 2.6 percent after stronger-than-expected GDP growth boosted tax receipts above forecasts. A possible hard landing of the U.S. real estate market, and its impacts on European economies may affect the French economy in early 2007.

2. French Agricultural Production and Consumption

In 2005, agricultural production in France decreased 3.3 percent in volume from 2004. This decrease is attributed to a reduction in vegetable production (minus 6.4 percent) after a 2004 abundant crop. In addition, grain production decreased 8.8 percent but remains close to the average level of the five last years, due to the decrease in grain yield and the dryness which affected corn production. Wine production decreased 8.8 percent compared to the very good 2004 crop, vegetable production is also down 7.1 percent, while rapeseed production increased 12.2 percent after an increase of 10 percent in 2004 in response to the demand of the biofuels sector. Total animal production slightly increase 1.1 percent, with a reduction in poultry production (minus 2.9 percent), due to the fear of the avian influenza.

In 2005, total French food and beverage purchases, including alcoholic beverages, amounted to $182.7 billion reflecting stable consumption. Total food prices in 2005 increased 0.2

percent compared to 2004. In 2005, beef and fresh vegetable prices increased 4.2 percent and 2.1 percent, respectively; while prices of dairy products, sugar, chocolate and confectionery as well as alcoholic beverages decreased slightly. The outlook for food and beverage prices in 2006 is estimated at an overall 1.2 percent increase, coming mostly from meat, poultry, oils and mineral water.

In 2005, meat consumption increased 0.8 percent mainly for veal, mutton and poultry, despite the arrival of avian influenza at the end of the year. Consumption of alcoholic beverages decreased for the third year in a row, while consumption of non alcoholic beverages, except coffee, tea and cocoa, increased due to both weather and their cost decrease. Tobacco consumption decreased 0.6 percent in 2005, against a decrease of 18.2 percent in 2004. Tobacco prices slightly increased compared to high increases in previous years.

Food consumption for the period January-July 2006 shows an overall increase of 2.2 percent, with sales on the rise for frozen foods, non-alcoholic beverages and fresh products (except dairy). Private label foods are on the rise, representing 22.1 percent of the total food sales of the hyper/supermarket and hard discounters.

3. Key Demographic Developments

As of January 1, 2006, preliminary estimates indicate a total population of 62.9 million, including 1.9 million for overseas territories. Immigration in France slightly decreased compared to 2004 (estimated to 97,500), and it remains the lowest in the European Union compared to the total population. Preliminary 2006 figures show that France has a slightly increasing birth rate (+1.19 percent) and a slightly declining death rate. France should be one of the few EU member states to experience population growth by 2050 estimated to 70 million, based on the current demographic situation.

France metropole: Population by Age Group (in millions)
(As of January 1, 2006)

Year	Total	Less than 20 years	20 to 64 years	65 years or more
2000	60.5	15.6	35.3	9.6
2001	60.9	15.6	35.6	9.7
2002	61.3	15.6	35.9	9.8
2003	61.7	15.7	36.1	9.9
2004 (P)	62.1	15.7	36.4	10.0
2005 (P)	62.5	15.7	36.7	10.1
2006 (P)	62.9	15.8	36.9	10.2

P = Preliminary - Source: INSEE PREMIERE -

France: Demographic Evolution of Households (in millions)

Year	Number of Households
1999	24.1
2000	24.4
2001	24.5
2002	24.8
2003	25.1
2004	25.4
2005 (P)	25.7
2006 (P)	N/A

(P) = Preliminary - Source: INSEE - Enquête Budget Famille

According to current trends, the number of households should increase an average of 228,000 per year until 2010.

4. Changing Food Trends

Socio-economic and demographic changes have significantly altered food trends in France. Trends show that French consumers desire food products offering better taste, increased health benefits and more convenience:

- The "younger" generation (26 percent) appreciates trying new products. This generation values products with an image along with good taste.
- Food safety scares have raised consumer concerns about sanitation and safety issues. In turn, these concerns have led to greater demand for "natural" and organic food products--fruit juices, fresh and processed dietetic foods, organic produce, fish and seafood products, ethnic foods and food supplements.
- Working consumers or those living alone (30 percent) have less time to prepare meals. These consumers are pushing the demand for easy-to-prepare foods, single and double portion packs, and frozen or microwavable meals.

Advantages and Challenges for U.S. Exporters in France

Advantages	**Challenges**
▪ The population's continuing rapid shift from rural to urban regions is boosting demand for international food. ▪ French per capita income is near that of the United States. ▪ The tourist industry increases the demand for hotel/restaurants/institutions products. ▪ U.S. fast food chains, theme restaurants, and the food processing industry are demanding American food ingredients. ▪ Domestic distribution systems are	▪ Food scares and other food safety issues cause concern among French consumers. ▪ French consumers make exacting demands when it comes to quality and innovation. ▪ Price competition is fierce. ▪ Certain food ingredients are banned or restricted from the French market. ▪ Marketing costs to increase consumer awareness are high. ▪ Mandatory customs duties, sanitary inspections and labeling requirements can be onerous.

efficient. ▪ The euro eases entry and dealings with EU member states. ▪ American food and food products remain quite popular.	

SECTION II. EXPORTER BUSINESS TIPS

1. Trade Barriers and Restrictions

Food products entering the EU and France are subject to customs duties which vary depending on the type of product. Most processed products are subject to additional import charges based on the product contents of sugar, milk fat, milk protein and starch.

Product safety and sanitary standards affecting imports into France are increasingly established at the EU level, however, additional French regulations affect imports as well. Efforts to harmonize EU import regulations and to implement commitments under the World Trade Organization (WTO) may abolish inconsistent and conflicting French and EU regulations, quota conversions, variable levies, and restrictive licensing requirements.

French regulations can act to limit market access for certain U.S. agricultural products including, but not limited to, the following:

- Poultry, meat and eggs
- Enriched flour
- Bovine genetics
- Exotic meat (alligator)
- Flightless bird meat (ratite)
- Live crayfish
- Beef and bison meat
- Fruits and vegetables
- Pet foods
- Co-products derived from genetic modification

For more information on above product trade restrictions, food standards and regulations, please refer to FAS/Paris Food and Agricultural Import Regulations and Standards Report (FAIRS) available on Internet website: http://www.fas.usda.gov

France, like other EU member states, has a network of bilateral and regional trade agreements that is expanding rapidly. The EU has customs union agreements with Turkey and Andorra and 26 free trade agreements under either GATT Article XXIV or GATS Article V. It has free trade agreements (two-way free trade without common external tariffs) and other sorts of preferential trade agreements with Norway, Iceland, Switzerland, Liechtenstein, Bulgaria, Romania, Israel, the Palestinian Authority, Tunisia, Morocco, Jordan, Egypt, Lebanon, Syria, Algeria, Mexico and South Africa. The EU provides ACP countries (African, Caribbean and Pacific developing countries) with non-reciprocal preferential access to its markets under the Cotonou Agreement, and gives other developing countries preferential access under the Generalized System of Preferences (GSP).

2. Consumer Tastes, Preferences and Food Safety

Like U.S. consumers, French consumers want innovative foods. French consumers like ethnic and exotic foods with distinctive themes and flavors. In 2005, 75 percent of French consumers ate an exotic or ethnic meal at least once. This market is valued at $220 million (excluding fresh products), 8 percent above 2004. In the past three years, theme restaurants have dramatically increased. In Paris, one of every two new restaurants is based on a "world food" concept, and all major supermarket chains offer ethnic foods under their private labels. In the ethnic segment, consumers always seek new products. The trends in France currently feature Thai, Northern and Southern African and Indian cuisine. However, Tex-Mex, Cajun or California-style cuisine, sports drinks and vitamin enriched snacks still have potential. Ready-to-eat products such as frozen foods, seafood (particularly salmon), wild rice, innovative dietetic/health products, organic products, frozen desserts, kosher and halal foods are also gaining popularity.

While many consumers and distributors are receptive to new developments in food products, they want more information on product contents and manufacturing processes. France has labeling requirements for both domestically-produced and imported food products containing genetically-modified products or biotech-derived ingredients or additives.

After the different food scares, the French Government encouraged the development of quality marks such as “Label Rouge”(Red Label) for meats, poultry and fruits and vegetables, which guarantee production under established conditions and product origin labels which guarantee that, for instance, certain wines, milk, butter, or cheeses are sourced from a certain region. The government also continues a certification program which guarantees that product preparation, manufacturing and packaging processes follow certain specifications. These quality and origin marks have been well received by French consumers. The organic food program certifies that agricultural and food products were manufactured without chemical fertilizers and according to special criteria. The Government of France announced new measures to support the organic sector, and will spend 4.5 million euros over the next three years to enhance consumers’ knowledge of the organic sector and 50 million euros over five years to support the conversion from traditional to organic farming.

3. Marketing Strategies for the French Market

(a) U.S. food product exporters should consider:

Market access restrictions and food laws

- Check EU and French regulations to ensure your products can enter the French market and carefully verify the list of ingredients and additives.

- Verify customs clearance requirements and any additional import charges based on percentage of sugar, milk fat, milk protein and starch in the product.

Consumer characteristics

- Target dual income families, singles, senior citizens and health and environmentally-conscious consumers.

- Influence consumer choices mostly through advertising campaigns.

Seasonal characteristics

- Holiday promotions
- In-store supermarket promotions

Unique U.S. products characteristics

- High quality
- Regional specialties (i.e., Florida grapefruit, California wine, Tex-Mex or Cajun style, New England seafood, etc.)

Image appeal

- Packaging can help a product find a niche in this market, particularly if the U.S. firm has access to stores and supermarkets that specialize in U.S. or foreign foods.

Trade Shows and In-Store Promotions:

- Trade shows, in-store product demonstrations can help to familiarize French consumers with U.S. food products.
- Trade shows are an excellent way to introduce new products to the market.

(b) Successful Export Planning for Your Products:

- Conduct basic market research and review export statistics of the last five years.

- Contact the Office of Agricultural Affairs at the American Embassy in Paris to obtain up-to-date information on local government regulations, customs duties, politics, demographics, infrastructure, distributions channels and market size.

- Adapt your product to local regulations: give the customer what they require, not what you think is needed, check your ingredients and package size requirements, verify consumers' preferences and make sure your product is price competitive.

- Identify the best distribution channel for the product, i.e., supermarkets, an importer/distributor, or a foreign agent. Be prepared to send samples.

- Work with your agent, distributor/importer to determine the best promotional strategy. Be prepared to invest in the market promotion of your products (through trade shows, in-store promotions or advertising campaigns, to gain maximum exposure and make valuable market contacts). Also, be aware that promotional assistance is available for U.S. products through a variety of branded and generic promotion programs through the four State regional trade groups: FOOD EXPORT USA-NORTHEAST, SUSTA, WUSATA and FOOD EXPORT ASSOCIATION OF THE MIDWEST USA. (Addresses, telephone, fax and contact information for these four groups are listed in Section V, Appendix B, of this report).

4. General Import and Inspection Procedures

General Import Requirements

Import and export transactions exceeding 12,500 Euros (approximately $15,550) in value must be conducted through an approved banking intermediary. Goods must be imported/exported no later than six months after all financial and customs arrangements have been completed.

For products originating in countries other than EU member states or participants in the World Trade Organization (WTO), and for a limited number of products considered to be sensitive, a specific import/export license may be required by product or by category of products. Otherwise, the following shipping documents in French are required:

- Commercial invoice;
- Bill of landing or air waybill;
- Certificate of origin
- Sanitary/health certificate if need be (depending on the products)

Note: U.S. exporters must make sure their products comply with French regulations and must verify customs clearance requirements with local authorities through their contacts before shipping the products to France. The Office of Agricultural Affairs of the American Embassy in Paris can provide assistance and information on these matters.

Basic Labeling / Packaging Requirements:

Labels should be written in French and include the following information:

- *Product definition*
- *Shelf life: Indicate "used by," and "best before" dates and other storage requirements*
- *Precautionary information or usage instructions, if applicable*
- *Statement of contents: ingredients, weights, volumes, etc., in metric units. All additives, preservatives and color agents must be noted on the label with their specific group name or their "E" number*
- *Product's country of origin and name of importer or vendor within the EU*
- *Manufacturer's lot or batch number*

France implemented the EU Novel Food/Novel Feed and Traceability and Labeling Regulations on April 18, 2004. According to the T&L regulation, biotech products and biotech-derived products need to be identified "from the seed to the fork" at each stage of market release. A unique code will be attributed to each genetic event to facilitate communication among operators. The T&L regulation imposes the labeling of any food or feed product derived from biotech, whether biotech DNA is detectable in the final product or not. The threshold under which labeling is not compulsory is set at 0.9% for both human food and animal feed. A threshold on planting seeds has not yet been established.

For more details, see the French Ministry of Agriculture website on biotech: http://ogm.agriculture.gouv.fr/savoir_plus/fiches/fiche6.htm, as well as the French decree implementing EU Regulation which can be found at: http://www.legifrance.gouv.fr/WAspad/UnTexteDeJorf?numjo=ECOC0400078D

Customs Process

- A person or company can facilitate customs clearance for imports so long as they can present the French Customs Authorities at the port of entry or at the airport in France with the imported goods and the necessary accompanying documents. To ease the clearance process, the U.S. exporter should have the customs clearance done by either a forwarding agent or his importer/distributor or agent in the country of destination. More information may be obtained from the General French Customs Authorities listed in Section V, Appendix C, of this report.

- Generally, a visual inspection consists of verifying that products are accompanied by the correct shipping documents.

- A detailed inspection may include sampling or a chemical analysis test.

- The speed of the customs clearance procedure can depend on the thoroughness of U.S. exporters' documentation.

- When released, the foodstuffs are subject to ad valorem customs duties levied under the Common External Tariff. Duties differ according to product. Also, in addition to customs duties, foodstuffs imported into France are subject to a Value-Added Tax (VAT). Currently the VAT is generally charged at one of the two following rates:
  - Standard rate of 19.6 percent applies to alcoholic beverages, some chocolates and candies
  - Reduced rate of 5.5 percent applies mostly to agricultural and food products.

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

1. The French Food Industry

- The food industry is the largest French industrial sector, accounting for 32 percent of the total economy's added value. France is the world leader in processed food exports, worth 28.7 billion Euros ($35.7 billion) in 2005, approximately 10 percent of the global trade in processed foods. The French food processing industry is number one in Europe ahead of Germany and number two in the world following the United States.

- France currently has 30 major food processors, and over 10,800 food industry companies.

- According to the French Food Industry Association (ANIA), in 2005, food processing sector sales were 139.7 billion Euros ($173.8 billion), an increase of 1.2 percent from the 2004 level.

- In 2005, the French food industry continued to restructure in the face of greater competition from large multinational groups and the globalizing effects of the Euro.

- Total food exports in 2005: 28.7 billion Euros ($35.7billion), a 1.8 percent increase in value over 2004.

- Total food imports in 2005: 21.8 billion Euros ($27.1 billion), 2,8 percent increase in value over 2004.

Major French Food Processing Sectors and Growth Rates

Food Processing Sectors	2005 Value (In billion $) --Incl. Taxes--	Percent Price Increase 2005/2004
Grains & Animal Feed	16.5	-4.8
Oilseeds & Seeds	2.5	+6.0
Canned Fruits & Vegetables & Fruit Juices	11.2	+2.8
Meat industry	35.9	+0.3
Seafood Industry	3.8	+2.2
Milk Industry	26.4	-0.8
Beverages Industry	18.7	-2.2
Fats and Oils	3.0	+4.8
Bread and pastry	15.7	+0.9
Sugar	4.0	+1.1
Miscellaneous (1)	15.0	+1.9

(1) Includes: Chocolate, beverage preparations, baby foods, canned deserts, and soups.
Source: INSEE - National Account

2. Infrastructure Situation

France's transportation infrastructure is among the most sophisticated in the world, benefiting from advanced technology and a high level of investment by the government. The three main entry points for air-freight are Orly and Charles de Gaulle airports in Paris and Saint-Exupéry airport in Lyon. France has twelve major seaports, many of which are equipped for container ships. There is also an extensive highway and river-transport system, and a state-owned rail network that is among the most comprehensive and technologically advanced in the world.

Communications infrastructure is similarly advanced. Telephone lines blanket the country and there is easy access to the Internet via French and foreign service providers. France is catching up rapidly to the U.S. and some other countries in the use of personal computers and the Internet. High-speed Internet access is expanding rapidly. The government continues promoting better use of information technologies.

3. Market Trends

The French market for food products is mature, sophisticated and well served by suppliers from around the world. Additionally, an increasing interest in American culture, younger consumers and changing lifestyles contribute to France's import demand for American food products. Generally, high quality food products with a regional American image can find a niche in the French market, particularly if they gain distribution through stores and supermarkets that specialize in U.S. or foreign foods. Niche market opportunities also exist for regional American foodstuffs (Tex-Mex, Cajun and California cuisine), candies and chocolates, wild rice, and organic and health food products, as well as kosher and halal foods.

The French food service industry is moving towards fresh consumer-ready products at the expense of frozen foods.

4. Marketing U.S. Products & Distribution Systems

The United States and France produce many of the same goods and services and export them to each other. Therefore, marketing products and services in France can bear some resemblance to marketing in the United States. French business representatives are sophisticated and knowledgeable about their respective markets. At the same time, American firms must take into consideration certain business practices, cultural factors, and legal requirements in order to do business effectively in France. For detailed information on the distribution systems and the best market entry approach for new-to-market exporters for the retail food sector, see Post Retail Food Sector Report, on AgParis website at: www.amb-usa.fr\fas\fas.htm, or on the FAS website at: www.fas.usda.gov.

The Hotel/Restaurant Institutional (HRI) sector in France uses the services of wholesalers or processed food buyers, and the well developed distribution channels of the wholesalers/importers are often the key to getting a new food product into that sector. A report on the HRI sector in France is available at the above website.

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

There are significant market opportunities for consumer food/edible fishery products in a number of areas: fruit juices and soft drinks (including flavored spring waters), dried fruits and nuts, fresh fruits and vegetables (particularly tropical and exotic), frozen foods (both ready-to-eat meals and specialty products), snack foods, tree nuts, "ethnic" products, seafood (particularly salmon & surimi), innovative dietetic and health products, organic products, soups, breakfast cereals and pet foods. In addition, niche markets exist in France for candies, chocolate bars, wild rice, kosher and halal foods. Market opportunities for U.S. exporters also exist for oilseeds, protein meals and other feeds, as well as for wood products and grains.

Listed below are six consumer-oriented food products considered by the Office of Agricultural Affairs as representing the "best prospects" for U.S. business.

Top 6 Market Opportunities for Consumer-Oriented Food Products
(USD million)

1. Name of Best Prospect: **FISH AND SEAFOOD, FRESH AND FROZEN**
   HS Code: 03 (in million dollars)

	2003	2004	2005
	---------- January / December -----		
A. Total Market Size	4,380	4,643	4,933
B. Local Production	1,907	1,985	1,950
C. Total Exports	1,352	1,501	1,599
D. Total Imports	3,825	4,159	4,582
E. Total Imports from U.S	136	165	191

F. Exchange Rate: USD 1.00=Euros 0.884 Euros 0.806 Euros 0.8038
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: France is a major consumer of seafood products and a net importer of many seafood products because domestic production is significantly lower than demand. In 2004, the best export opportunities for U.S. seafood were Alaska Pollack fillets, surimi base, salmon, lobster, and scallops. In 2005, salmon remained the French consumers' preferred fish. U.S. salmon exports to France in 2005 were favored by the U.S. dollar/euro exchange rate and a French media campaign against farm-raised European salmon. The U.S. market share of groundfish fillet products increased from 7 percent to 9 percent in 2005 and the potential for continued growth remains positive. The United States was France's largest supplier of live lobster in 2005, ahead of Canadian lobster. The United States has become a major supplier of scallops to France and this trend continued in 2006. France is the largest market for surimi in Europe and the United States is France's leading supplier of surimi base. (For further information, please see annual seafood report FR6054 dated October 6, 2006) which can be found on the following website: www.fas.usda.gov (attaché reports).

2. Name of Best Prospect: **PROCESSED FRUITS AND VEGETABLES, INCLUDING FRUIT JUICES**

HS Code: 20 (in million dollars)

	2003	2004	2005
	------- January / December -----		
A. Total Market Size	8,164	9,897	9,603
B. Local Production	7,188	8,078	8,087
C. Total Exports	1,235	1,467	1,135
D. Total Imports	2,211	3,286	2,651
E. Total Imports from U.S.	60	26	63
F. Exchange Rate: USD 1.00=Euros:	0.884	Euros: 0.806	Euros : 0.8038

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Fruit juices and soft drinks in France are currently the most dynamic growth sectors among non-alcoholic beverages, with a per capita consumption of fruit juices estimated at 24 liters a year. The French fruit juice market is very sophisticated due to the experience of distributors, variety of packaging, diversity of flavors and quality types, product innovation, advertising investment and promotions, as well as price ranges. As per French Customs statistics, in 2005, French imports of fruit juices totaled about 590 million Euros ($734 million). The primary imports from the United States consist of fresh and frozen orange and grapefruit juices and amounted to $22 million in 2005. Competition in juices is very strong, principally from Brazil, Israel and Spain, which benefit from preferential tariffs.

3. Name of Best Prospect: **BEVERAGES, INCLUDING MINERAL WATER, BEER, WINE AND SPIRITS**

HS Codes: 22.01 to 22.06 and 22.07+22.08 (in million dollars)

	2003	2004	2005
	----- January / December ------		
A. Total Market Size	13,097	14,803	15,003
B. Local Production	21,589	23,676	24,038
C. Total Exports	10,627	11,411	11,645
D. Total Imports	2,135	2,538	2,610
E. Total Imports from U.S.	54	61	65

F. Exchange Rate: USD 1.00=Euros: 0.884 Euros : 0.806 Euros: 0.8038
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: In 2005, French imports of U.S. wine totaled 18 million Euros ($22 million), representing 3.8 percent of total French wine imports by value. U.S. wines in France face strong competition from Italy, Spain and Greece as well as from new world countries such as Australia, South Africa and Chile. However, market opportunities exist for U.S. wines in

France thanks in part to the "exoticism" and quality of the products and the promotional efforts made by American themed restaurants in France.

The French are also significant consumers of spirits. In 2005, U.S. spirits exports to France were valued at 32 million Euros ($40 million) representing 4.9 percent of total French spirits imports estimated at 659 million Euros ($820 million).

Opportunities exist for ethnic, new and innovative U.S. products, particularly those that can be linked with Tex-Mex foods. Also, sales of innovative products such as beer with whiskey malt are on the rise, as are sales of non-alcoholic beers and "panaches" (mixture of beer and lemonade).

Currently, the French beer industry consists of 18 breweries representing over 200 brands, and two American brewers present in the French market: Anheuser-Bush and Miller. The French beer market is valued at 1.83 billion Euros ($2.3 billion), representing about 11 percent of total alcoholic and non-alcoholic beverage sales and two percent of total food and beverage sales in France. Annual per capita consumption of beer in France is estimated at 36 liters.

4. Name of Best Prospect: **FRESH AND DRIED FRUITS, INCLUDING NUTS**
HS 08 (in million dollars)

	2003	2004	2005
	-------- January / December ----------		
A. Total Market Size	3,518	3,949	4,104
B. Local Production	2,145	2,170	2,185
C. Total Exports	1,714	1,749	1,801
D. Total Imports	3,087	3,528	3,720
E. Total Imports from U.S.	132	160	180

F. Exchange Rate: USD 1.00=Euros: 0.884 Euros :0.806 Euros : 0.8038
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: The best opportunities for U.S. suppliers are in off-season and extended-season sales, and years of short French fruit crops. France is one of the most important markets for U.S. grapefruit (mostly from Florida), valued at 18 million Euros ($22 million) in 2005, although French imports of grapefruits from the United States decreased 26 percent in value in 2005, versus 2004, due to the hurricanes in Florida, U.S. market share represents 25 percent of total French imports in value and 20 percent in volume.

France also imports apples and pears (in short crop years). There is also a niche market for berries, cherries and tangerines. In 2005, U.S. fresh fruit exports to France were valued at 20 million Euros ($25 million).

The snack and nut product niche market is important for U.S. exporters, who profit from promoting their products as healthy and high-quality choices. Dried fruits and nuts, generally salted, are mainly consumed as snacks with aperitifs. Among the most popular snacks are cashews, almonds, pecans, hazelnuts and pistachios, all of which sell best when merchandised in bulk packages. French consumption of these products has doubled over the past seven years as the French now snack between meals. Although France is a significant grower of walnuts, French import demand is primarily determined by the size of the domestic production. The United States remains France’s leading supplier of in-shell walnuts whereas Moldova and China provided the bulk of shelled imports.

(For detailed market information, please see Post brief report on dried fruits FR6055 and nuts FR6065, which can be found on the following website: www.fas.usda.gov (attaché reports).

5. Name of Best Prospect: **FRESH AND DRIED VEGETABLES**
Hs Code: 07 (in million dollars)

	2003	2004	2005
	-------	January / December	------------
A. Total Market Size	4,988	5,362	5,486
B. Local Production	4,550	4,861	4,950
C. Total Exports	1,630	1,751	1,811
D. Total Imports	2,068	2,252	2,347
E. Total Imports from U.S.	24	17	19

F. Exchange Rate: USD 1.00=Euros: 0,884 Euros :0.806 Euros : 0.8038

Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Very few opportunities exist in this market for U.S. fresh vegetables, except for green asparagus, and maybe some superior quality and produced off-season fresh vegetables such as eggplant, zucchini, sweet peppers and iceberg lettuce. However, trends and increased consumption indicate growing demand for fresh prepared vegetables (washed and cut) and many supermarkets have a special section for these types of products. There is also a growing demand for organic vegetables.

U.S. dried vegetables exports to France increased 3.3 percent in value in 2005, compared to 2004 to reach $17 million. In 2005, rice imports from the United States decreased 16 percent in value to $13 million; this decrease is due to strong competition from Spain and Italy and high US prices. Significant opportunities exist for U.S. suppliers for dried beans, peas and lentils.

6. Name of Best Prospect: **MEAT AND OFFALS**
HS Code: 02 (in million dollars)

	2003	2004	2005
	-------	January / December	------------
A. Total Market Size	7,640	7,890	8,315
B. Local Production	7,820	7,750	7,940
C. Total Exports	3,156	3,489	3,528
D. Total Imports	2,976	3,629	3,903
E. Total Imports from U.S.	20	30	45

F. Exchange Rate: USD 1.00=Euros:0.884 Euros : 0.806 Euros : 0.8038
Source: French Customs/SCEES - French Ministry of Agriculture

Comments: Opportunities in this market are limited given the import quota on meat and stringent EU veterinary regulations. The most prominent meat import from the United States is horsemeat which was valued at $41 million in 2005, while pork meat imports amounted to $3 million and beef imports $491,000. Bison meat is getting more and more popular in France; mosly of Canadian origin, but there might be opportunities for U.S. products. Currently, the annual EU meat import quotas are as follows:

-Beef meat (hormone-free): 11,700 tons yearly for Canada and the United States;
-Pork meat: Approximately 70,000 tons for all third countries.
For more information and the enlargment compensation agreement between the U.S. and the EU, please visit the following website: www.useu.be

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

For further information contact:
Office of Agricultural Affairs
American Embassy
2, avenue Gabriel - 75382 Paris Cedex 08
Tel: (33-1) 43 12 2264
Fax: (33-1) 43 12 2662
Email: agparis@usda.gov
homepage: http://www.amb-usa.fr/fas/fas.htm

For more information on exporting U.S. food products to France, visit our homepage. The OAA homepage includes information on the HRI and Retail food sector, Food and Agricultural Import Regulations and Standards, product briefs on the market potential for U.S. products, upcoming promotional trade shows and fairs in France. Importer lists are available from our office to exporters of U.S. food products.

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page: http://www.fas.usda.gov

APPENDIX A : FOOD AND AGRICULTURAL TRADE SHOWS IN France In Calendar Year 2007

For Trade Shows in Calendar Year 2008, please visit FAS/Paris Homepage at: *www.amb-usa.fr/fas/fas.htm*

SIRHA
International Hotel Catering
and Food Trade Exhibition
(USDA-endorsed)
January 20-24, 2007
Eurexpo Lyon
Organizer: Sepelcom
Tel: (33 4) 26 61 61 01
Fax: (33 4) 72 22 32 18
Email: mjk@sepelcom.com
Internet: www.sirha.com
(Biennal Show)

SALON NATIONAL DE LA BOULANGERIE, PATISSERIE, CHOCOLATERIE/INTERSUC
International Chocolate, Sugar & Bakery Trade Show
February 11-14, 2007
Paris, Porte de Versailles
Organizer: Exposium
Tel: (33 1) 49 68 52 26
Fax: (33 1) 49 68 56 30
Email: jalquier@erxposium.fr
internet: www.salonboulangerie.com
(Annual Show)

TEXWORLD
International Textile Manufacturers
February 19-22, 2007
Paris - Le Bourget
Organizer: Messe Frankfurt France SAS
Tel: (33 1) 55 26 89 89
Fax: (33 1) 40 35 09 00
Email: texworld@france.messefrankfurt.com
Internet: www.texworld.messefrankfurt.com
(Twice a year, every six months)

LE CUIR A PARIS
International Leather Products Show
February 20-23, 2007
Parc des Expositions - Paris Nord Villepinte
Organizer: SIC SA
Tel: (33 1) 43 59 05 69
Fax: (33 1) 43 59 30 02
Email: contactsic@sicgroup.com
Internet: www.lecuiraparis.com
(Twice a year, every six months)

PREMIERE VISION
February 20-23, 2007
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision Salon
Tel: (33 4) 72 60 65 00
Fax: (33 4) 72 60 65 49
Email: info@premierevision.fr
Internet: www.premierevision.fr
(Twice a year, every six months)

International Textile and Clothing Show

SALON DU VEGETAL
February 21-23, 2007
Angers
Organizer: BHR - Bureau Horticole Regional des Pays de Loire
Tel: (33 2) 41 79 14 17
Fax: (33 2) 41 45 29 05
Email: salon@bhr-vegetal.com
Internet: www.salon-du-vegetal.com
(Annual Show)

Horticultural Trade Show

SALON INTERNATIONAL DE l'AGRICULTURE
Paris Porte de Versailles
March 3-11, 2007
Organizer: Comite des Expositions de Paris
Tel: (33-1) 49 09 60 00
Fax: (33-1) 49 09 61 58
E-mail: info@comexpo-paris.com
Internet: http://www.salon-agriculture.com
(Annual Show)

International Agricultural Show

IN-FOOD 2007
March 13-14, 2007
CNIT - Paris la Defense
Organizer: Exposium
Tel: (33 1) 49 68 51 44
Fax: (33 1) 49 68 56 31
Email: cbenhammou@exposium.fr
shekimyan@exposium.fr
Internet: www.in-food.fr
(Annual Show)

100% Intermediary Food Ingredients

SALON DES MARQUES DE DISTRIBUTEURS ALIMENTAIRES - MDD RENCONTRES
March 27-29, 2007
Paris - Parc des Expositions/ Porte de Versailles
Organizer: JANGIL
Tel: (33-5) 53 36 78 78
Fax: (33-5) 53 36 78 79
Email: mddexpo@jangil.net
Internet: www.mdd-expo.com
(Annual Show)

International Private Label Show for foods

FOIRE INTERNATIONALE DE PARIS
Paris - Porte de Versailles
April 28-May 8, 2007
Organizer: Comite des Expositions de Paris
Tel: (33-1) 49 09 60 00
Fax: (33-1) 49 09 60 03
E-Mail: info@comexpo-paris.com
Internet: http//: www.foiredeparis.fr
(Annual Fair)

International Food, Beverages & Tourism Fair

WORLD FOOD MARKET
Paris - Porte de Versailles
May 16-17, 2007
Organizer: Ithaca Francel
Tel: (33-1) 45 23 81 11
Fax: (33-1) 45 23 81 20
E-mail: info@ethnicfoodshow.com
Internet: http://www.ethnicfoodshow.com
(Annual Show)

International Ethnic & Specialty Foods (including Kosher and Halal Sections)

VINEXPO
Bordeaux-Lac, Exhibition Center
June 17-21, 2007
Organizer: VINEXPO
Tel: (33 5) 56 56 00 22
Fax: (33 5) 56 56 00 00
Email: info@vinexpo.com
Internet: www.vinexpo.com
(Biennal Show)

International Wine and Spirits Exhibition

SALON INTERNATIONAL DE L'ELEVAGE
(SPACE 2007)
Rennes - Carrefour Europeen
September 11-14, 2007
Organizer: SPACE
Tel: (33-2) 23 48 28 80
Fax: (33-2) 23 48 28 81
Email: info@space.fr
Internet: www.space.fr
(Annual Show)

International Trade Fair for Livestock

PREMIERE VISION
September 18-21, 2007
Parc des Expositions Paris-Nord Villepinte
Organizer: Premiere Vision le Salon
Tel: (33-4) 72 60 65 00
Fax: (33-4) 72 60 65 49
Email: info@premierevision.fr
Internet: http://www.premierevision.fr
(Held twice a year – every six months)

International Textile & Clothing Show

LE CUIR A PARIS — International Leather Products Show
Paris - Porte de Versailles
September 18-21, 2007
Organizer: Sic SA
Tel: (33-1) 43 59 05 69
Fax: (33-1) 43 59 30 02
Email: contactsic@sicgroup.com
Internet: www.lecuiraparis.com
(Held twice a year - every six months)

TEXWORLD — International Textile Manufacturers
September 17-20, 2007
Paris - Le Bourget
Organizer: Messe Frankfrut France S.A.S.
Tel: (33-1) 55 26 89 89
Fax: (33-1) 40 35 09 00
Email: texworld@france.messefrankfurt.com
Internet: http://www.texworld.messefrankfurt.com
(Held twice a year – every six months)

NATEXPO — International Health/Dietetic and Organic Show
Paris - Porte de Versailles
October 20-22, 2007
Organizer: Comexpo Paris
Tel: (33 1) 49 09 64 59
Fax: (33 1) 49 09 64 10
Email: drichard@comexpo-paris.com
Internet: www.natexpo.com
(Biennal Show)

BATIMAT — International Building Show
Parc Expo - Porte de Versailles
November 5-10, 2007
Organizer: Reed Exhibition
Internet: www.batimat.com
(Biennal Show)

APPENDIX B : U.S. BASED STATE REGIONAL TRADE GROUPS

FOOD EXPORT USA - NORTHEAST
150 S. Independence Mall West
Philadelphia, PA 19106-3410
Tel: (215) 829 9111/Fax: (215) 829 9777
E-Mail: info@foodexportusa.org
Web: http://www.foodexportusa.org
Contact: Tim Hamilton, Executive Director or Daleen D. Richmond, Deputy Director

FOOD EXPORT ASSOCIATION OF THE MIDWEST USA
309 W Washington Street, Suite 600
Chicago, Illinois 60606
Tel: (312) 334 9200/Fax: (312) 334 9230
E-Mail: info@foodexport.org
Web: http://www.foodexport.org
Contact: Tim Hamilton, Executive Director/Daleen D. Richmond, Deputy Director

SOUTHERN U.S. TRADE ASSOCIATION (SUSTA)
World Trade Center
2 Canal Street, Suite 2515
New Orleans, LA 70130-1408
Tel: (504) 568-5986/Fax: (504) 568-6010
E-Mail: Susta@Susta.Org
Web: http://www.susta.org
Contact: Jerry Hingle, Executive Director

WESTERN U.S. AGRICULTURAL TRADE ASSOCIATION (WUSATA)
4601 NE 77th Avenue, Suite 200
Vancouver, WA 98662
Tel: (360) 693 3373/Fax: (360) 693 3464
E-Mail: export@wusata.org
Contact: Andy Anderson, Executive Director

APPENDIX C : FRENCH GOVERNMENT AGENCIES

Agency responsible for French label/product ingredient regulations:

Direction Générale de la Concurrence, de la Consommation
et de la Répression des Fraudes (DGCCRF)
Ministère de l'Economie, des Finances et de l'Industrie
59, boulevard Vincent Auriol
75703 Paris Cedex 13
Tel: (33-1) 44 87 1717/Fax: (33-1) 44 97 3031
Internet: http://www.finance.gouv.fr

Agency responsible for promotion and control of food quality:

Direction Générale de l'Alimentation (DGAL)
Ministére de l'Agriculture et de la Pêche
251, rue de Vaugirard - 75015 Paris
Tel: (33-1) 49 55 4955
Fax: (33-1) 49 55 4850
Internet: http://www.agriculture.gouv.fr

For information on duties, taxes, and documentation:

Centre de Renseignements Douaniers
84, rue d'Hauteville
75010 Paris
Tel: (33-1) 825 30 82 63/Fax: (33-1) 53 24 6830
Email: crd-ile-de-france@douane.finances.gouv.fr
Internet: http://www.douane-minefi.gouv.fr

STATISTICS

TABLE A. KEY TRADE AND DEMOGRAPHIC INFORMATION FOR 2004 AND 2005

Ag. Imports from All Countries (1)	$39.2 billion (*)
U.S. Market Share (1)	2.3 percent (*)
Consumer Food Imports from All Countries (1)	$23.1 billion (*)
U.S. Market Share (1)	1.8 percent (*)
Edible Fishery Imports from All Countries (1)	$3.9 billion (*)
U.S. Market Share (1)	4.1 percent (*)
Total Population/Annual Growth Rate (2)	62.2 million - Growth rate annual: 0.5%
Urban Population /Annual Growth Rate	47 million - Annual Growth rate: N/A
Number of Metropolitan Areas (3)	4
Size of the Middle Class (4)	85 percent of total population
Per Capita Gross Domestic Product	$34,306
Unemployment Rate	9.6 percent
Percent of Female Population Employed (5)	45.8 percent
Exchange Rate: US$1 = EURO 0.8038	

Footnotes:
(*) Figures available for 2004 only from the (1) United Nations Statistical Data
(2) Preliminary figures
(3) Population in excess of 1,000,000
(4) This notion doesn't exist as such in France. However, if you define the middle class by excluding the poorest and the wealthiest, the middle class represents 85% of the population
(5) Percent against total number of women (15 years old or above)

TABLE B. CONSUMER FOOD & EDIBLE FISHERY PRODUCTS IMPORTS

France Imports	Imports from the World			Imports from U.S.			U.S. Market Share		
(In Millions of Dollars)	2002	2003	2004	2002	2003	2004	2002	2003	2004
CONSUMER-ORIENTED AGRICULTURAL TOTAL	16,814	20,215	23,129	312	372	429	2	2	2
Snack Foods (Excl. Nuts)	1,489	1,866	2,135	3	8	3	0	0	0
Breakfast Cereals & Pancake Mix	199	232	252	1	1	1	0	0	0
Red Meats, Fresh/Chilled/Frozen	1,927	2,258	2,745	15	19	29	1	1	1
Red Meats, Prepared/Preserved	474	592	694	1	1	1	0	0	0
Poultry Meat	274	355	447	1	0	0	0	0	0
Dairy Products (Excl. Cheese)	1,284	1,519	1,743	1	1	4	0	0	0
Cheese	678	823	898	0	0	0	0	0	0
Eggs & Products	102	142	130	5	6	5	5	4	4
Fresh Fruit	1,934	2,495	2,861	35	41	32	2	2	1
Fresh Vegetables	1,240	1,540	1,679	2	3	1	0	0	0
Processed Fruit & Vegetables	1,779	2,095	2,521	29	33	48	2	2	2
Fruit & Vegetable Juices	548	711	710	33	37	25	6	5	4
Tree Nuts	257	304	334	78	88	124	31	29	37
Wine & Beer	731	888	1,033	16	16	20	2	2	2
Nursery Products & Cut Flowers	909	1,119	1,254	1	1	1	0	0	0
Pet Foods (Dog & Cat Food)	159	230	281	5	2	1	3	1	0
Other Consumer-Oriented Products	2,830	3,049	3,412	88	116	135	3	4	4
FISH & SEAFOOD PRODUCTS	3,154	3,632	3,997	141	136	164	4	4	4
Salmon	327	377	399	11	11	14	3	3	4
Surimi	54	58	69	23	22	24	43	38	35
Crustaceans	856	934	1,010	26	26	31	3	3	3
Groundfish & Flatfish	736	912	1,064	52	45	56	7	5	5
Molluscs	283	348	377	15	20	28	5	6	7
Other Fishery Products	898	1,004	1,078	14	12	11	2	1	1
AGRICULTURAL PRODUCTS TOTAL	**23,857**	**28,469**	**31,825**	**621**	**659**	**704**	**3**	**2**	**2**
AGRICULTURAL, FISH & FORESTRY TOTAL	**29,393**	**35,042**	**39,264**	**821**	**848**	**921**	**3**	**2**	**2**

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

TABLE C. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS

CONSUMER-ORIENTED AG TOTAL FRANCE IMPORTS (In Million of Dollars)	2002	2003	2004	FISH & SEAFOOD PRODUCTS (In Million of Dollars)	2002	2003	2004
United States	**311,641**	**372,186**	**429,355**	**United States**	**140,909**	**135,531**	**163,560**
Spain	2,740,519	3,517,466	4,006,234	United Kingdom	347,160	409,177	425,624
Belgium	2,380,865	2,888,263	3,372,322	Norway	239,356	295,497	320,290
Netherlands	2,444,441	2,754,777	3,191,852	Spain	215,796	234,776	267,978
Germany	2,284,032	2,735,628	3,132,136	Netherlands	185,281	192,732	225,088
Italy	1,662,425	1,950,679	2,200,516	Denmark	156,801	173,083	210,069
United Kingdom	722,049	815,082	904,637	Madagascar	130,905	177,679	184,014
Morocco	426,457	472,656	537,353	Germany	108,143	114,165	129,410
Ireland	346,884	426,247	491,703	Ireland	108,631	111,532	116,535
Switzerland	265,312	336,664	388,652	Iceland	91,220	111,517	114,027
Denmark	316,154	363,642	388,181	Brazil	51,468	88,108	106,268
New Zealand	233,716	264,237	298,954	Belgium	98,699	99,236	104,675
Israel	162,771	194,131	261,496	Cote d'Ivoire	114,369	93,335	96,179
Portugal	188,896	235,230	256,567	Morocco	59,748	77,156	84,306
Cote d'Ivoire	188,360	235,162	236,275	Chile	61,115	62,664	82,004
Other	2,139,974	2,653,139	3,032,385	Other	1,044,558	1,256,248	1,366,819
World	**16,814,278**	**20,215,316**	**23,128,870**	**World**	**3,154,103**	**3,632,432**	**3,996,917**

Source: United Nations Statistics Division